

Message Text

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ACTION IO-03

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 EB-03 ABF-01 AF-04 ARA-06 EA-06 EUR-08 NEA-07

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TO SECSTATE WASHDC 5713

INFO USMISSION VIENNA

C O N F I D E N T I A L SECTION 1 OF 2 USUN 0435

LIMDIS

IO FOR MOREY; VIENNA FOR STIBRAVY

E.O. 11652: GDS

TAGS: AORG, PORG, UN

SUBJ: UNIDO PROGRAM BUDGET, PERSONNEL, ETC. -- POST-
MORTEM ON 30TH UNGA

REFS: A. USUN 6817; B. VIENNA 471; C. VIENNA 539;
D. STATE 21560; E. VIENNA 648

1. SUMMARY: UNIDO SECRETARIAT EFFORT TO BYPASS SYG IN OBTAINING
GENERAL ASSEMBLY APPROVAL OF PROGRAM BUDGET (PB) PROPOSALS,
PREPARED AND SUBMITTED BY UNIDO, WAS BLOCKED AT 30TH
UNGA BY ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY
QUESTIONS (ACABQ) AND FIFTH COMMITTEE. AZMI AFIFI, UNIDO
DIRECTOR FOR POLICY COORDINATION, APPARENTLY HAS FALLEN
FROM GRACE OF EXECUTIVE DIRECTOR (EXDIR) KHANE FOR
MISHANDLING ISSUE IN NEW YORK; KHANE HIMSELF HAS BEEN
BRUISED BY EVENTS. UNLIKELY THAT KHANE WILL FILL ONE
APPROVED ASYG POST. QUESTION OF INTERIM ARRANGEMENTS,
GIVING UNIDO INCREASED AUTONOMY VIS-A-VIS UN/SYG PENDING
UNIDO BECOMING A SPECIALIZED AGENCY, REMAINS UNRESOLVED.
END SUMMARY

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2. IN REF A MISSION STATED INTENTION TO PROVIDE ADDRESSEES WITH MORE COMPLETE RUNDOWN OF DEVELOPMENTS IN NEW YORK. IN LIGHT OF SUBSEQUENT DEVELOPMENTS REPORTED REFTELS B, C, D, AND E, WE ARE PROVIDING LATEST INFO ON QUESTIONS ADDRESSED THEREIN.

3. REGARDING PROGRAM BUDGET FOR 1976/77, SINCE SYG'S ORIGINAL PROPOSALS FOR UNIDO, CONTAINED IN SECTION 12 OF A/10006, WERE PREPARED AND SUBMITTED PRIOR TO LIMA CONFERENCE, THEY COULD NOT TAKE INTO ACCOUNT MEETING RESULTS. CONSEQUENTLY, IT WAS EARLY RECOGNIZED THAT REVISED ESTIMATES SHOULD BE SUBMITTED BY SYG EARLY IN 30TH UNGA; CONCURRENTLY, UNIDO EXDIR KHANE MADE KNOWN HIS INTENTION TO CHANGE UNIDO ORGANIZATIONAL STRUCTURE IN ORDER TO ADAPT IT TO NEW TASKS AND RESPONSIBILITIES EVOLVING FROM LIMA. IN ITS REPORT ON PB (A/10008) PARA 12.4, ACABQ QTE DECIDED TO POSTPONE DETAILED CONSIDERATION OF THIS SECTION UNTIL ITS AUTUMN 1975 SESSION UNQTE IN EXPECTATION THAT REVISED SECTION 12 WOULD BE AVAILABLE EARLY DURING FIFTH COMMITTEE SESSION.

4. SYG'S REVISED ESTIMATES (A/C.5/1715), HOWEVER, WERE NOT FINALIZED UNTIL LATE NOVEMBER. PRIOR TO RECEIPT OF A/C.5/1715, ACABQ REPEATEDLY QUERIED UN SECRETARIAT OFFICIALS (ESPECIALLY USYG DAVIDSON) ON REASONS FOR DELAY WHICH, IN SUMMARY, RESULTED FROM INTRA-SECRETARIAT INFIGHTING -- UNIDO SECRETARIAT WAS DETERMINED TO HAVE INDEPENDENT AND FINAL SAY ON ITS PB, WHILE UN HEADQUARTERS WAS EQUALLY DETERMINED TO PRESERVE PREROGATIVES OF SYG. ALTHOUGH A STANDOFF HAD DEVELOPED BETWEEN UNIDO/VIENNA AND UN/NEW YORK, TACTIC OF UNIDO SECRETARIAT (REPRESENTED IN NY BY AFIFI) WAS TO PRESENT UNIDO PROPOSALS TO FIFTH COMMITTEE IN EXPECTATION (EXPRESSED OPENLY AND WITH CONTEMPT BY AFIFI) THAT THEY COULD MUSTER LDC SUPPORT. ALTHOUGH UNIDO SUBMISSION TO UN HEADQUARTERS WAS INCOMPLETE, LACKED SUFFICIENT JUSTIFICATION, WAS INCONSISTENT WITH ESTABLISHED UN PROCEDURES, ETC., AFIFI WAS UNWILLING TO MAKE NECESSARY CHANGES. WHEN INFORMED OF SITUATION BY DAVIDSON AND OTHERS, ACABQ TOOK POSITION THAT IT WOULD NOT ACCEPT SUB-PAR SUBMISSION FROM SYG OR BE INTIMIDATED BY UNIDO SECRETARIAT, CONFIDENTIAL

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AND WOULD INSIST ON SPEEDY RESOLUTION OF INTRA-SECRETARIAT PROBLEMS SO THAT REVISED ESTIMATES COULD BE SUBMITTED FORTHWITH.

5. SHORTLY THEREAFTER REVISED ESTIMATES WERE PRESENTED TO ACABQ WHICH OSTENSIBLY AGREED TO BY AFIFI AND DAVIDSON; HOWEVER, UNDER QUESTIONING IN ADVISORY COMMITTEE IT BECAME QUICKLY APPARENT THAT AGREEMENT WAS MORE FICTION

THAN REAL. AFIFI, SHOWING OUTRIGHT CONTEMPT FOR DAVIDSON AND HIS STAFF AS WELL AS ADVISORY COMMITTEE, REFUSED TO PROVIDE INFO REQUESTED BY COMMITTEE WHILE AT SAME TIME ARGUING THAT REAL REQUIREMENTS OF UNIDO WERE DIFFERENT FROM THOSE REQUESTED BY SYG. TO BACK UP POINT, AFIFI ATTEMPTED TO DISTRIBUTE PAPER SHOWING QTE ADDITIONAL REQUIREMENTS UNQTE TO ACABQ, BUT WAS STOPPED BY CHAIRMAN SINCE IT WAS NOT ACCEPTED BY SYG. UNDAUNTED, AFIFI ATTEMPTED TO HAVE PAPER DISTRIBUTED AS FIFTH COMMITTEE DOCUMENT BUT WAS STOPPED BY DAVIDSON AT LAST MOMENT.

6. NOT ONLY WAS ACABQ REPORT (A/10008/ADD.26) ON REVISED ESTIMATES FOR UNIDO HIGHLY CRITICAL, BUT ADVISORY COMMITTEE CHAIRMAN MSELLE, IN INTRODUCING HIS REPORT TO FIFTH COMMITTEE, REAFFIRMED ACABQ DISSATISFACTION IN STRONGEST TERMS. AT SAME TIME, AFIFI WAS ACTIVE BOTH OPENLY AND BEHIND SCENES WITH NUMEROUS DELEGATIONS IN EFFORT TO GET FIFTH COMMITTEE TO REJECT ACABQ REPORT AND THEREBY ENDORSE UNIDO'S POSITION. GROUP OF 77 CAUCUSSED ON ISSUE AT LENGTH, WITH COLOMBIAN REP LEADING ATTEMPT TO MUSTER SUPPORT FOR UNIDO AND UPPER VOLTAN REP LEADING OPPOSITION (WITH USDEL ACTIVELY WORKING WITH UPPER VOLTAN REP). OF PARTICULAR SIGNIFICANCE WAS AFIFI ATTEMPT TO MUSCLE ALGERIAN FIFTH COMMITTEE REP (UN DEPPERMREP), WHO LEANING TOWARD ACABQ RECOMMENDATIONS, BY BACKDOORING HIM IN VIENNA AND ALGIERS--ANGERED BY ATTEMPT, ALGERIAN REP (ALLEGEDLY SUPPORTED BY FOREIGN MINISTER) JOINED FORCES WITH ANTI-AFIFI GROUP. IN LAST DITCH EFFORT TO WIN HIS POINT, AFIFI OPENLY ATTEMPTED TO MANIPULATE COMMITTEE PROCEEDINGS THROUGH COLOMBIAN AND OTHER DELS. LATTER TACTIC BACKFIRED AND WAS FINAL STRAW WHICH ENSURED ADOPTION OF DRAFT RESOLUTION SUPPORTING ACABQ BY 83-0-9 IN FIFTH COMMITTEE, AND 117-0-11 IN UNGA PLENARY.
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7. COMMENT: ABOVE OUTCOME AND MANNER IN WHICH ACABQ AND FIFTH COMMITTEE REBUFFED UNIDO SECRETARIAT POWER PLAY (WHICH MUST BE CONSIDERED WITHIN CONTEXT OF UNIDO EFFORTS TO OBTAIN GREATER AUTONOMY) WAS SIGNIFICANT SINCE AUTHORITY OF SYG TO PREPARE AND SUBMIT PB FOR UN AS A WHOLE WAS PRESERVED, AND RESPONSIBLE LDC'S REFUSED TO BE STEAMROLLED EVEN BY ONE OF THEIR OWN. MOST SIGNIFICANT FACT IN OUTCOME WAS ARROGANCE OF UNIDO SECRETARIAT AND ITS OPEN CONTEMPT TOWARD EXISTING UN PROCEDURES AND MACHINERY. WHETHER OR NOT KHANE PERSONALLY HELD THIS VIEW WE CANNOT BE CERTAIN. ALGERIAN EXPLANATION, GIVEN TO USDEL, IS THAT KHANE HAD PUT FULL TRUST IN AFIFI AND HAD BEEN MANIPULATED BY LATTER INTO EMBARRASSING POSITION -- BOTH FOR UNIDO AND KHANE HIMSELF. AS A RESULT, ALGERIANS,

ACTING ON BEHALF OF BOUTEFLIKA, HAD REPRIMANDED KHANE FOR ALLOWING HIMSELF TO BE MANEUVERED INTO SUCH A POSITION BY AFIFI, WHICH REFLECTED NEGATIVELY ON ALGERIA AS LEADER OF LDC MAJORITY IN UN. WE BELIEVE THAT AFIFI'S REASSIGNMENT REPORTED PARA 2 REFTEL B IS A DOWNGRADING AND A DIRECT RESULT OF HIS PERFORMANCE IN NEW YORK LAST FALL; HOWEVER, WE RECOGNIZE HIS STAYING POWER AND ONLY TIME WILL TELL WHETHER THIS IS TEMPORARY OR PERMANENT (THIS VIEW ALSO SHARED BY USYG DAVIDSON AND OTHER UN SECRETARIAT OFFICIALS). END COMMENT.

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ACTION IO-03

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

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8. RE LAST SENTENCE PARA 2 REFTEL B, DAVIDSON BELIEVES THAT ATTRIBUTING SHIFT OF AFIFI TO WALDHEIM IS OVERDRAWN. HOWEVER, FOLLOWING DEMARCHE BY SOVIETS TO COMPLAIN ABOUT UNIDO REORGANIZATION AND LACK OF INVOLVEMENT BY INDUSTRIAL DEVELOPMENT BOARD (DB), SYG DID SEND SOVIET COMPLAINT TO KHANE, AND LATTER IN REPLY INFORMED SYG OF CHANGES REPORTED REFTELS B AND C; POSSIBLY RUMOR CIRCULATING IN VIENNA RESULTS FROM THIS EXCHANGE. (PARENTHETICALLY, DAVIDSON OFFERED TO MISOFF, ON STRICTLY CONFIDENTIAL BASIS, THAT WALDHEIM RAISED QUESTION OF AFIFI'S PERFORMANCE WITH EGYPTIAN FORMIN FAHMY WHO ADVISED SYG TO QTE GET RID

OF HIM UNQTE.) SYG'S DISPLEASURE OVER UNIDO HANDLING OF
REVISED PB AND REORGANIZATION, HOWEVER, IS WELL KNOWN IN
NEW YORK.

9. RE LAST SENTENCE PARA 6 REFTTEL C AND PARA 7 REFTTEL D,
DAVIDSON (AND SYG) INTEND TO STAY OUT OF QUESTION OF
SELECTING INDIVIDUAL TO FILL ASYG POST OTHER THAN TO
ENSURE THAT APPOINTMENT/PROMOTION IS MADE BY SYG IN ACCORDANCE
WITH ESTABLISHED PROCEDURES. DAVIDSON BELIEVES THAT
KHANE WILL NOT ATTEMPT TO FILL ONE APPROVED ASYG POST
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SINCE ORIGINAL PROPOSAL FOR THREE ASYG POSTS WAS PREDICTED
ON PROVIDING ONE EACH FOR LDC'S, EE'S, AND WEO'S AND KHANE
IS UNWILLING POLITICALLY TO CHOOSE AMONG THREE CONTENDERS.
RE NAPOLIELLO, DAVIDSON ALSO CONSIDERS APPOINTMENT TO BE
HOLDING ACTION, ALTHOUGH HE EXPECTS KHANE NOT TO OPPOSE
ANOTHER AMERICAN REPLACING NAPOLIELLO SINCE KHANE IS
AWARE OF US DISPLEASURE IN NOT GETTING FINDLEY BURNS
APPOINTED TO UNIDO AND IS LEERY OF CROSSING SWORDS
WITH US AGAIN. WE SHOULD NOT EXPECT, HOWEVER, UN AGREEMENT
TO EXTEND NAPOLIELLO BEYOND AGE SIXTY. DAVIDSON
OFFERED ADVICE TO MISOFF THAT IF US WANTS TO KEEP THIS
POST WE SHOULD COME UP WITH QUALIFIED REPLACEMENT WHO
COULD READILY FIT INTO PROGRAM COORDINATION SLOT IN UNIDO.

10. RE PARA 3 REFTTEL D, DAVIDSON MAINTAINS THAT AFIFI
WAS MANEUVERING TO BECOME DIRECTOR OF OPERATIONS DIVISION
SINCE HE CONSIDERED THIS TO BE MOST IMPORTANT UNIDO UNIT;
FACT THAT KHANE NAMED HIM HEAD OF INDUSTRIAL STUDIES
IS FURTHER EVIDENCE OF AFIFI HAVING FALLEN OUT OF FAVOR.
WHY KHANE CHOSE VELIKY (USSR) FOR THIS SPOT UNCLEAR,
BUT THERE MAY BE OUTSIDE CHANCE THAT US COULD OPT
FOR THIS POST RATHER THAN THAT OF PROGRAM COORDINATOR
ONCE NAPOLIELLO LEAVES.

11. RE REFTTEL E, UN/NEW YORK HAD AGREED SOME TIME AGO
TO DELEGATE INCREASED AUTHORITY TO UNIDO/VIENNA IN
PERSONNEL ADMINISTRATION. DAVIDSON TOLD MISOFF THAT HE
WAS READY TO GIVE THIS TO UNIDO AND EXPECTED TO DISCUSS QUESTION
WITH KHANE LATER THIS MONTH WHEN LATTER IS EXPECTED
HERE FOR MEETING OF AD HOC COMMITTEE ON RESTRUCTURING.
WHEN MISOFF REMINDED DAVIDSON OF SECRETARIAT QTE COMMITMENT
UNQTE IN FIFTH COMMITTEE LAST YEAR TO SUBMIT QUESTION
SUCH AS THIS TO COMMITTEE FOR CONSIDERATION -- RATHER THAN
SYG ACTING ON HIS OWN -- DAVIDSON SAID HE WAS UNAWARE
OF ASSURANCES GIVEN BY SECRETARIAT, BUT HE PERSONNALLY
WOULD MAKE SURE THAT THEY WERE HONORED. HE ADDED THAT SUCH A
COMMITMENT MIGHT BE A BLESSING IN DISGUISE SINCE IT COULD
BE USED AS CHECK AGAINST UNIDO EFFORTS TO GET GREATER

AUTONOMY. IT WOULD BE HELPFUL, DAVIDSON FELT, FOR NUMBER OF DELS IN IDB TO MAKE REFERENCE TO WHAT HAD TRANSPIRED IN FIFTH COMMITTEE SINCE INCLUSION IN IDB RECORDS WOULD CONFIDENTIAL

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STRENGTHEN HIS HAND VIS-A-VIS UNIDO.

12. OVERALL QUESTION OF SEPARATE PREPARATION AND SUBMISSION OF UNIDO PB AND INCREASED ADMINISTRATIVE AUTONOMY (A/C.5/1616 AND A/C.5/1678) REMAINS UP IN AIR. UN/NEW YORK INTENDS TO HOLD CLOSELY TO STATUS QUO UNTIL UNIDO BECOMES A SPECIALIZED AGENCY, WHILE UNIDO POSITION NOT FINALIZED; I.E., WHETHER OR NOT KHANE INTENDS TO PRESS FOR INCREASED AUTONOMY IN INTERIM IS NOT KNOWN. HOWEVER, WHEN ACABQ QUESTIONED KHANE AND AFIFI ON THIS POINT, THEY INDICATED WILLINGNESS TO MAINTAIN STATUS QUO ONLY FOR 1976 AND IMPLIED THAT, WHILE THIS WAS OPEN QUESTION THEREAFTER, THEY WERE LEANING TOWARD MAKING ATTEMPT TO GAIN SPECIAL STATUS FOR UNIDO PENDING ITS BECOMING A SPECIALIZED AGENCY.

13. ACCORDING TO DAVIDSON, EXDIR KHANE HAS AGREED TO HAVING UN BUDGET DIRECTOR LAVAU GO TO VIENNA THIS SPRING TO ASSIST IN PREPARATION OF UNIDO REVISED PB. THIS IS REVERSAL OF KHANE'S POSITION DURING UNGA WHEN HE REFUSED TO ACCEPT PERSON FROM UN/NEW YORK TO GO VIENNA FOR SIMILAR PURPOSE. AT SAME TIME, KHANE HAS ASKED NEW YORK TO EXEMPT UNIDO FROM SUBMITTING REVISED MEDIUM-TERM PLAN IN TIME FOR CONSIDERATION BY COMMITTEE FOR PROGRAM AND COORDINATION IN MAY SINCE HE WANTS SUBMISSION TO BE CONSIDERED FIRST BY IDB END OF APRIL; KHANE HAS BEEN ADVISED BY DAVIDSON THAT THIS IS UNACCEPTABLE AND MATTER REMAINS TO BE RESOLVED. MOYNIHAN

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